

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 830 - SB 1654**

March 15, 2011

**SUMMARY OF BILL:** Requires TennCare managed care organizations (MCOs), or their contractors providing non-emergency ambulance service, to permit enrollees or their representatives to make requests for particular ambulance service providers for transportation needs. The MCOs or contractors must agree to the request when reasonable and scheduling permits. Requires the same reimbursement policies within the same service areas to transportation requests filled by appropriately licensed and credentialed service providers.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$4,135,700**

**Increase Federal Expenditures - \$8,147,300**

**Assumptions:**

- According to the Bureau of TennCare, the proposed FY11-12 budget includes \$78,149,000 for transportation costs which are a reflection of a \$12,301,000 decrease in transportation costs after imposing a 13.6 percent managed care discount.
- According to TennCare, the growth rate in transportation spending has been approximately 20 percent per year. After the implementation of a single capitated transportation provider, MCOs are realizing approximately \$300,000 in savings per month.
- According to TennCare, these savings would no longer be realized because the contractor would no longer have the ability to manage the network of transportation providers and would not agree to the at-risk contracts.
- There will be an increase in expenditures of approximately \$12,301,000 reflecting the loss of savings. Of this amount, \$4,153,679 will be state funds at a rate of 33.767 percent and \$8,147,321 will be federal funds at a match rate of 66.233 percent.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml